



**Testimony by Ed Klonoski, President  
Charter Oak State College**

Before the Higher Education and  
Employment Advancement Committee  
February 18, 2016

Good Morning Chairs Willis and Bartolomeo and members of the Committee. My name is Ed Klonoski, and I am president of Charter Oak State College, the state's only public distance learning institution. Charter Oak is one of the 17 institutions governed by the Board of Regents for Higher Education, and I am here today to testify in support of **H.B. 5071 (RAISED) HIGHER EDUCATION AND EMPLOYMENT ADVANCEMENT. 'AN ACT REQUIRING CONNECTICUT TO PARTICIPATE IN THE STATE AUTHORIZATION RECIPROCITY AGREEMENT REGARDING DISTANCE LEARNING PROGRAMS'.**

Charter Oak State College has been disadvantaged by the lack of a national reciprocity agreement for years. Currently, any online educational program — regardless of whether it has a physical presence in another state — must register in any state or U.S. territory in which it has students. Since approximately 30% of Charter Oak's students come from other states, we have registered in all 50 states for the past several years. This process is expensive, time consuming, and sometimes, arbitrary. Years of working to comply with these individual state requirements leads me to no other conclusion.

The State Authorization Reciprocity Agreement (SARA) creates a national system within which each state is responsible for its own institutions. Each state applies to its regional association—in our case the New England Board of Higher Education—to participate. Once a state is accepted, each individual institution can decide whether or not to participate in the reciprocity agreement. No one is forced to participate. It costs the state nothing to apply. The participating institutions pay a modest fee, in Charter Oak's case that fee would be \$4,000 as opposed to the \$40,000 plus we pay each year to be authorized in every state. And the state costs associated with SARA participation, i.e. keeping track of student complaints against CT institutions, are already the responsibility of our Office of Higher Education.

This is the third year that we have supported a bill authorizing the state to participate in SARA. The national verdict on SARA has been delivered. **36** states have joined the SARA agreement, a figure that has more than doubled since January 2015. Currently, more than 600 institutions participate in SARA, and State Portal Agencies are working with their home state institutions to guide them through the application process. There is support for SARA throughout all 54 states and territories, and by the end of 2016, it's projected that there will be a minimum of **40** states participating in SARA. Currently, four of the six New England states are participating.

For any online program, a national reciprocity agreement such as the State Authorization Reciprocity Agreement (SARA) offers both a simpler approach to protecting students from inferior service and a higher bar for that service. Now it is true that Connecticut has both a competent higher education consumer protection service — Office of Higher Education (OHE) — and high standards for the performance of its licensed institutions. But it is equally true that every online program exports a product and brings revenue back into the state, and, as such, has a strong interest in consistent, efficient, and standardized approaches to registering in other markets. The nature of this online market is that it is disadvantageous for Connecticut to behave as if it is a special or unique market. For Charter Oak, just like for any institution similar to ours nationwide, the market is any student, anywhere.

Let me stress the key reasons that I encourage the legislature to adopt the reciprocity agreement:

- The status quo is unworkable and restricts the ability of Charter Oak to offer educational opportunities nationwide.
- No institution in a state that adopts SARA will be forced to participate. All institutional participation is optional, and the current regulatory structure will remain in place for institutions that do not participate. States join for free, and institutions pay much smaller fees to SARA than they do to each of the individual states.
- The consumer protection role required by the SARA agreement will be played in Connecticut by OHE, which has that role currently.
- The SARA standards, while not identical to Connecticut's current standards, are so similar as to guarantee no reduction in quality here at home.
- Participation in SARA will NOT create a significant increase in the work performed by OHE.
- Connecticut currently does nothing to monitor or regulate online providers from other states. SARA requires that those institutions meet the SARA standards and register with their Regional compact.

Distance education is not a local industry. By definition, it defies geography and offers institutions the opportunity to sell their education products to the world. That means that quality assurance and consumer protections are more critical than ever, but should be just as borderless. SARA accomplishes both of those purposes — it raises the quality bar for many states and it creates a single national process for registration for those institutions that serve students beyond a physical campus structure.

I am happy to answer questions you may have about the inner workings of the agreement and its effect on our institutions.